

NEMETSCHKE GROUP

Building Lifecycle Intelligence



QUARTERLY STATEMENT AS OF SEPTEMBER 30, 2021

Key Figures

NEMETSCHKE GROUP

| in EUR million | 3rd quarter 2021 | 3rd quarter 2020 | Change | 9 months 2021 | 9 months 2020 | Change |
|---|------------------|------------------|--------------|---------------|---------------|--------------|
| Operative figures | | | | | | |
| Revenues | 169.3 | 148.6 | 13.9% | 493.6 | 436.8 | 13.0% |
| - thereof software licenses | 55.7 | 51.8 | 7.5% | 169.0 | 152.0 | 11.2% |
| - thereof recurring revenues | 106.5 | 90.4 | 17.8% | 302.6 | 265.4 | 14.0% |
| - subscription (as part of the recurring revenues) | 34.5 | 23.3 | 48.0% | 93.0 | 63.5 | 46.6% |
| EBITDA | 54.4 | 46.7 | 16.4% | 160.3 | 129.3 | 24.0% |
| as % of revenue | 32.1% | 31.4% | | 32.5% | 29.6% | |
| EBIT | 42.0 | 34.5 | 21.8% | 123.0 | 92.1 | 33.6% |
| as % of revenue | 24.8% | 23.2% | | 24.9% | 21.1% | |
| Net income (group shares) | 34.2 | 25.2 | 35.7% | 96.8 | 67.7 | 42.9% |
| per share in € | 0.30 | 0.22 | | 0.84 | 0.59 | |
| Net income (group shares) before purchase price allocation | 39.3 | 29.6 | 32.9% | 111.8 | 82.0 | 36.3% |
| per share in € | 0.34 | 0.26 | | 0.97 | 0.71 | |
| Cash flow figures | | | | | | |
| Cash flow from operating activities | 57.8 | 36.3 | 59.2% | 163.6 | 114.5 | 42.9% |
| Cash flow from investing activities | -5.5 | -2.0 | | -19.7 | -90.3 | |
| Cash flow from financing activities | -29.5 | -14.4 | | -95.8 | -81.8 | |
| Free cash flow | 52.3 | 34.3 | | 143.9 | 24.2 | |
| Free cash flow before M&A investments | 55.5 | 33.9 | 64.0% | 149.3 | 107.5 | 39.0% |
| Balance sheet figures | | | | | | |
| Cash and cash equivalents* | | | | 191.9 | 139.3 | 37.7% |
| Net liquidity/net debt* | | | | 109.1 | 9.0 | |
| Balance sheet total* | | | | 957.5 | 889.7 | 7.6% |
| Equity ratio in %* | | | | 52.0% | 46.9% | |
| Headcount as of balance sheet date | | | | 3,139 | 3,067 | 2.3% |
| Share figures | | | | | | |
| Closing price (Xetra) in € | | | | 90.70 | 62.50 | |
| Market Capitalization | | | | 10,475.85 | 7,218.80 | |

* Presentation of previous year as of December 31, 2020.

Interim Group Management Report

Report on the earnings, financial and asset situation

Strong nine month 2021: Revenue growth of 13.0% and increase in EBITDA margin to 32.5%

Consolidated revenue rose by 13.0% in the first nine months to EUR 493.6 million (previous year: EUR 436.8 million). The increase in revenue is a result of solely organic growth. Adjusted for currency translation effects at constant exchange rates, revenue growth would have been 15.7%.

EBITDA increased by 24.0% to EUR 160.3 million (previous year: EUR 129.3 million). The EBITDA margin thus rose considerably from 29.6% in the previous year to 32.5%. The above-average margin is mainly due to the strong operating business development.

Subscription and SaaS continue to drive growth

Overall, there was a recovery in the license business compared to the previous year. In the first nine months of 2021, the Nemetschek Group's revenues from software licenses were 11.2% higher than in the same quarter of the previous year at EUR 169.0 million (previous year: EUR 152.0 million). Adjusted for currency effects, the increase was 14.2%. Recurring revenues again increased significantly in the first nine month by 14.0% to EUR 302.6 million (previous year: EUR 265.4 million). Adjusted for currency effects, recurring revenues rose by 16.7%. The disproportionately strong increase reflects the strategic change in the business model to increasingly offer subscription and SaaS. Revenues from subscription/SaaS increased significantly by 46.6% (adjusted for currency effects: 50.2%) to EUR 93.0 million. Software licenses accounted for 34.2% of total revenues (previous year: 34.8%), while the share of recurring revenues slightly increased from 60.8% in the previous year to 61.3%.

Internationalization

An essential diversification factor is the Group's continuing global orientation. Domestic sales increased by 9.8% to EUR 117.9 million (previous year: EUR 107.4 million). In the foreign markets, the Nemetschek Group achieved revenues of EUR 375.7 million, an increase of 14.1% compared to the previous year. The share of revenues generated abroad increased to 76.1% (previous year: 75.4%).

Overview of segments

In the Design segment, revenues increased by 10.8% (adjusted for currency effects: 12.5%) to EUR 254.0 million compared to the prior-year (EUR 229.3 million). EBITDA increased by 9.2% to EUR 83.2 million (previous year: EUR 76.1 million). This corresponds to an operating margin of 32.7%, which was slightly below the previous year's level of 33.2%. In the Build segment, revenues increased significantly year-on-year by 11.6% (after adjustment for currency translation effects: 16.0%) to EUR 161.1 million (previous year: EUR 144.3 million). The EBITDA margin increased to 42.5% (previous year: 38.0%). In the Manage segment, revenues increased by 12.9% (adjusted for currency translation effects: 12.8%) to EUR 33.0 million (previous year EUR 29.2 million). The EBITDA margin was 9.7% and below the previous year (14.1%). The Media & Entertainment segment revenues significantly increased by 27.2% to EUR 50.1 million (previous year: EUR 39.4 million) in the first nine months. The currency-adjusted growth was at 31.1%. At 37.5%, the EBITDA margin significantly increased (previous year: 28.9%).

Earnings per share at EUR 0.84

Operating expenses increased by 7.0% from EUR 352.0 million to EUR 376.8 million. The cost of materials included in this figure rose to EUR 18.1 million (previous year: EUR 17.2 million). Personnel expenses rose by 8.3% from EUR 196.4 million to EUR 212.6 million. Other operating expenses increased by 7.5% from EUR 101.3 million to EUR 108.9 million. Depreciation and amortization on fixed assets slightly increased by 0.2% from EUR 37.2 million to EUR 37.2 million.

The net income for the year (group shares) increased to EUR 96.8 million (previous year EUR 67.7 million). Adjusted for amortization from the purchase price allocation after tax, net income rose by 36.3% to EUR 111.8 million (previous year: EUR 82.0 million), resulting in earnings per share of EUR 0.97.

The Group's tax rate at the end of the third quarter of 2021 was 19.4% (previous year: 24.4%).

Operating cash flow at EUR 163.6 million – Cash and cash equivalents at EUR 191.9 million

The cash flow from operating activities was mainly used for investments in fixed assets and the start-up Reconstruct Inc., dividends as well as the repayment of loans and lease liabilities.

The operating cash flow of the first nine months in the amount of EUR 163.6 million increased significantly due to the higher operating performance (previous year: EUR 114.5 million) supported by positive working capital effects as well as tax effects.

Cash flow from investing activities was EUR –19.7 million (previous year: EUR –90.3 million) and included the investment in the start-up Reconstruct Inc. In the previous year, EUR 79.1 million were paid for the acquisition of Red Giant in the Media & Entertainment segment. The cash flow from financing activities of EUR –95.8 million (previous year: EUR –81.8 million) mainly includes dividends paid out in the amount of EUR 34.7 million (previous year: EUR 32.3 million), the repayment of bank loans of EUR 47.6 million (previous year EUR 43.1 million), the repayment of short-term interim financing EUR 18.0 million (previous year EUR 0) and the repayment of lease liabilities of EUR 11.2 million (previous year EUR 9.6 million).

On the quarterly closing date, the Nemetschek Group held cash and cash equivalents of EUR 191.9 million (December 31, 2020: EUR 139.3 million).

Equity ratio at 52.0%

The balance sheet total increased from EUR 889.7 million to EUR 957.5 million compared to December 31, 2020. Equity amounted to EUR 497.8 million (December 31, 2020: EUR 417.3 million), resulting in an equity ratio of 52.0% compared to 46.9% as of December 31, 2020. The increase was driven by the net income for the year (EUR 98.3 million), the currency-related increase of Group assets (EUR 17.3 million) and decreased by dividends paid (EUR 34.7 million).

Significant events after the interim reporting period

There were no significant events after the end of the interim reporting period.

Employees

As of September 30, 2021, the Nemetschek Group employed a staff of 3,139 (September 30, 2020: 3,067), an increase of 2.3% on the prior-year quarter. In the following quarters, the Nemetschek Group intends to further increase the number of employees in order to ensure future growth.

Report on opportunities and risks

For the main opportunities and risks of the Nemetschek Group's anticipated development, we refer to the opportunities and risks described in the Group management report as of December 31, 2020. No significant changes have occurred in the meantime. With regard to the effects of the Covid-19 pandemic, we refer to the forecast report in the Group management report as of December 31, 2020, and to the comments in this quarterly report.

Report on forecasts and other statements on expected development

Based on the very good business development in the first nine months and the continued positive outlook, the Executive Board expects to achieve the upper end of the previously raised target ranges for revenue growth and EBITDA. The currency-adjusted revenue growth is expected to be in a range between 12% and 14% while the EBITDA margin is targeted to be between 30% and 32%.

The outlook is based on the assumption that there will be no significant deterioration in the macroeconomic conditions in the fourth quarter of 2021 and that the Corona pandemic will continue to be under control.

Consolidated statement of comprehensive income

for the period from January 1 to September 30, 2021 and 2020

STATEMENT OF COMPREHENSIVE INCOME

| Thousands of € | 3rd quarter 2021 | 3rd quarter 2020 | 9 months 2021 | 9 months 2020 |
|---|------------------|------------------|-----------------|-----------------|
| Revenues | 169,321 | 148,649 | 493,619 | 436,844 |
| Other income | 2,022 | 2,493 | 6,194 | 7,295 |
| Operating income | 171,343 | 151,142 | 499,813 | 444,139 |
| Cost of goods and services | -5,806 | -6,128 | -18,075 | -17,155 |
| Personnel expenses | -72,382 | -66,841 | -212,621 | -196,394 |
| Depreciation of property, plant and equipment and amortization of intangible assets | -12,340 | -12,220 | -37,231 | -37,172 |
| <i>thereof amortization of intangible assets due to purchase price allocation</i> | -6,370 | -5,941 | -19,134 | -18,488 |
| Other expenses | -38,803 | -31,460 | -108,863 | -101,306 |
| Operating expenses | -129,331 | -116,649 | -376,791 | -352,027 |
| Operating result (EBIT) | 42,012 | 34,493 | 123,022 | 92,112 |
| Interest income | 25 | 22 | 50 | 257 |
| Interest expenses | -577 | -683 | -2,076 | -2,008 |
| Other financial expenses/income | 1,590 | 7 | 862 | 5 |
| Net finance costs | 1,037 | -654 | -1,165 | -1,746 |
| Share of net profit of associates | 0 | 0 | 83 | 0 |
| Earnings before taxes (EBT) | 43,049 | 33,839 | 121,940 | 90,365 |
| Income taxes | -8,120 | -8,277 | -23,642 | -22,028 |
| Net income for the year | 34,929 | 25,562 | 98,298 | 68,338 |
| Other comprehensive income: | | | | |
| Difference from currency translation | 5,785 | -13,051 | 17,273 | -20,957 |
| Items of other comprehensive income that are reclassified subsequently to profit or loss | 5,785 | -13,051 | 17,273 | -20,957 |
| Gains/losses from the revaluation of defined benefit pension plans | -76 | 28 | 159 | -79 |
| Tax effect | 22 | -8 | -45 | 22 |
| Items of other comprehensive income that will not be reclassified to profit or loss | -55 | 20 | 114 | -57 |
| Subtotal other comprehensive income | 5,730 | -13,031 | 17,387 | -21,013 |
| Total comprehensive income for the year | 40,659 | 12,531 | 115,685 | 47,325 |
| Net profit or loss for the period attributable to: | | | | |
| Equity holders of the parent | 34,223 | 25,213 | 96,797 | 67,740 |
| Non-controlling interests | 706 | 349 | 1,500 | 598 |
| Net income for the year | 34,929 | 25,562 | 98,298 | 68,338 |
| Total comprehensive income for the year attributable to: | | | | |
| Equity holders of the parent | 39,406 | 12,182 | 113,281 | 46,684 |
| Non-controlling interests | 1,253 | 348 | 2,404 | 641 |
| Total comprehensive income for the year | 40,659 | 12,531 | 115,685 | 47,325 |
| Earnings per share (undiluted) in euros | 0.30 | 0.22 | 0.84 | 0.59 |
| Earnings per share (diluted) in euros | 0.30 | 0.22 | 0.84 | 0.59 |
| Average number of shares outstanding (undiluted) | 115,500,000 | 115,500,000 | 115,500,000 | 115,500,000 |
| Average number of shares outstanding (diluted) | 115,500,000 | 115,500,000 | 115,500,000 | 115,500,000 |

Consolidated statement of financial position

as of September 30, 2021 and December 31, 2020

STATEMENT OF FINANCIAL POSITION

| Assets | Thousands of € | September 30, 2021 | December 31, 2020 |
|----------------------------------|----------------|--------------------|-------------------|
| Current assets | | | |
| Cash and cash equivalents | | 191,895 | 139,320 |
| Trade receivables | | 66,783 | 64,571 |
| Inventories | | 747 | 642 |
| Income tax receivables | | 4,859 | 6,010 |
| Other financial assets | | 1,444 | 1,624 |
| Other non-financial assets | | 26,713 | 24,204 |
| Current assets, total | | 292,441 | 236,371 |
| Non-current assets | | | |
| Property, plant and equipment | | 20,790 | 21,628 |
| Intangible assets | | 131,862 | 138,176 |
| Goodwill | | 428,375 | 416,706 |
| Right-of-use assets | | 58,909 | 61,328 |
| Investments in associates | | 1,859 | 1,344 |
| Deferred tax assets | | 9,065 | 7,465 |
| Other financial assets | | 12,832 | 4,835 |
| Other non-financial assets | | 1,378 | 1,809 |
| Non-current assets, total | | 665,071 | 653,290 |
| Total assets | | 957,511 | 889,661 |

| Equity and liabilities | Thousands of € | September 30, 2021 | December 31, 2020 |
|--|----------------|--------------------|-------------------|
| Current liabilities | | | |
| Short-term borrowings and current portion of long-term loans | | 40,940 | 59,601 |
| Trade payables | | 7,565 | 11,229 |
| Provisions and accrued liabilities | | 61,985 | 56,250 |
| Deferred revenue | | 158,776 | 129,469 |
| Income tax liabilities | | 13,843 | 9,253 |
| Other financial liabilities | | 7,401 | 1,618 |
| Lease liabilities | | 13,797 | 13,369 |
| Other non-financial liabilities | | 16,264 | 15,023 |
| Current liabilities, total | | 320,572 | 295,813 |
| Non-current liabilities | | | |
| Long-term borrowings without current portion | | 41,895 | 70,670 |
| Deferred tax liabilities | | 24,671 | 25,222 |
| Pensions and related obligations | | 3,638 | 3,083 |
| Provisions | | 4,529 | 4,153 |
| Deferred revenue | | 2,914 | 2,406 |
| Income tax liabilities | | 3,860 | 3,050 |
| Other financial liabilities | | 1,235 | 8,731 |
| Lease liabilities | | 51,683 | 54,254 |
| Other non-financial liabilities | | 4,752 | 4,986 |
| Non-current liabilities, total | | 139,177 | 176,556 |
| Equity | | | |
| Subscribed capital | | 115,500 | 115,500 |
| Capital reserve | | 12,485 | 12,485 |
| Retained earnings | | 377,587 | 315,341 |
| Other reserves | | -23,022 | -39,408 |
| Equity (group shares) | | 482,550 | 403,919 |
| Non-controlling interests | | 15,212 | 13,373 |
| Equity, total | | 497,762 | 417,292 |
| Total equity and liabilities | | 957,511 | 889,661 |

Consolidated cash flow statement

for the period from January 1 to September 30, 2021 and 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

| Thousands of € | 9 months 2021 | 9 months 2020 |
|---|----------------|----------------|
| Profit (before tax) | 121,940 | 90,365 |
| Depreciation and amortization of fixed assets | 37,231 | 37,172 |
| Net finance costs | 1,165 | 1,746 |
| Share of net profit of associates | -83 | 0 |
| EBITDA | 160,253 | 129,283 |
| Other non-cash transactions | 308 | 4,083 |
| Cash flow for the period | 160,562 | 133,366 |
| Change in trade working capital | 20,636 | 7,592 |
| Change in other working capital | 3,529 | 3,891 |
| Dividends received from associates | 97 | 31 |
| Interests received | 50 | 262 |
| Financing effects and tax cash flow | -21,279 | -30,641 |
| Cash flow from operating activities | 163,594 | 114,501 |
| Capital expenditure | -5,596 | -7,322 |
| Changes in liabilities from acquisitions | -1,583 | 0 |
| Cash received from disposal of fixed assets | 154 | 282 |
| Cash paid for acquisition of subsidiaries, net of cash acquired | -5,420 | -83,289 |
| Cash paid for acquisition of other investments | -7,232 | 0 |
| Cash flow from investing activities | -19,678 | -90,329 |
| Dividend payments | -34,650 | -32,340 |
| Dividend payments to non-controlling interests | -564 | -105 |
| Cash received from bank loans | 18,000 | 6,850 |
| Repayment of borrowings | -65,575 | -43,110 |
| Principal elements of lease payments | -11,196 | -9,649 |
| Interests paid | -1,833 | -1,993 |
| Payments for acquisitions of non-controlling interests | 0 | -1,500 |
| Cash flow from financing activities | -95,818 | -81,847 |
| Changes in cash and cash equivalents | 48,098 | -57,676 |
| Effect of exchange rate differences on cash and cash equivalents | 4,477 | -4,838 |
| Cash and cash equivalents at the beginning of the period | 139,320 | 209,143 |
| Cash and cash equivalents at the end of the period | 191,895 | 146,630 |

Consolidated statement of changes in equity

for the period from January 1 to September 30, 2021 and 2020

| Thousands of € | Equity attributable to the parent company's shareholders | | | | Total | Non-controlling interests | Total equity |
|--|--|-----------------|-------------------|---------------------|----------------|---------------------------|----------------|
| | Subscribed capital | Capital reserve | Retained earnings | Translation reserve | | | |
| As of January 1, 2020 | 115,500 | 12,485 | 230,924 | -10,396 | 348,513 | 103 | 348,616 |
| Other comprehensive income | - | - | -44 | -21,012 | -21,056 | 43 | -21,013 |
| Net income for the year | - | - | 67,740 | - | 67,740 | 598 | 68,338 |
| Total comprehensive income for the year | 0 | 0 | 67,696 | -21,012 | 46,684 | 641 | 47,325 |
| Acquisition of a subsidiary | - | - | -12,862 | - | -12,862 | 48,027 | 35,165 |
| Dividend payments to non-controlling interests | - | - | - | - | 0 | -105 | -105 |
| Dividend payment | - | - | -32,340 | - | -32,340 | - | -32,340 |
| As of September 30, 2020 | 115,500 | 12,485 | 253,418 | -31,408 | 349,995 | 48,666 | 398,661 |
| As of January 1, 2021 | 115,500 | 12,485 | 315,341 | -39,408 | 403,919 | 13,373 | 417,292 |
| Other comprehensive income | - | - | 99 | 16,386 | 16,484 | 903 | 17,387 |
| Net income for the year | - | - | 96,797 | - | 96,797 | 1,500 | 98,298 |
| Total comprehensive income for the year | 0 | 0 | 96,896 | 16,386 | 113,281 | 2,404 | 115,685 |
| Dividend payments to non-controlling interests | - | - | - | - | 0 | -564 | -564 |
| Dividend payment | - | - | -34,650 | - | -34,650 | - | -34,650 |
| As of September 30, 2021 | 115,500 | 12,485 | 377,587 | -23,022 | 482,549 | 15,213 | 497,762 |

NEMETSCHEK
GROUP

NEMETSCHEK SE
Konrad-Zuse-Platz 1
81829 Munich
Tel.: +49 89 540459-0
Fax: +49 89 540459-414
investorrelations@nemetschek.com
www.nemetschek.com

